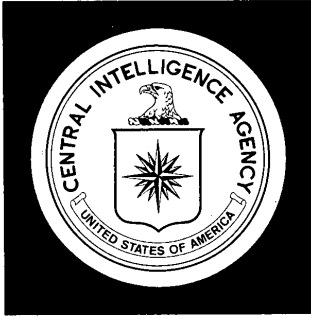


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The President's Daily Brief

May 21, 1974

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THE PRESIDENT'S DAILY BRIEF

May 21, 1974

PRINCIPAL DEVELOPMENTS

Britain's Labor government will soon be facing the same kind of wage demands and strikes that brought down the Conservatives. (Page 1)

Heavy fighting continues on several battlefields in South Vietnam. (Page 2)

After heavy supply shipments and unprecedented road and pipeline construction, the North Vietnamese are in a better position to support their forces in South Vietnam than at any time during the war. (Page 3)

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The Soviets have replaced their naval force in the Indian Ocean. (Page 4)

Fighting was at a low level yesterday in the Middle East. (Page 4)

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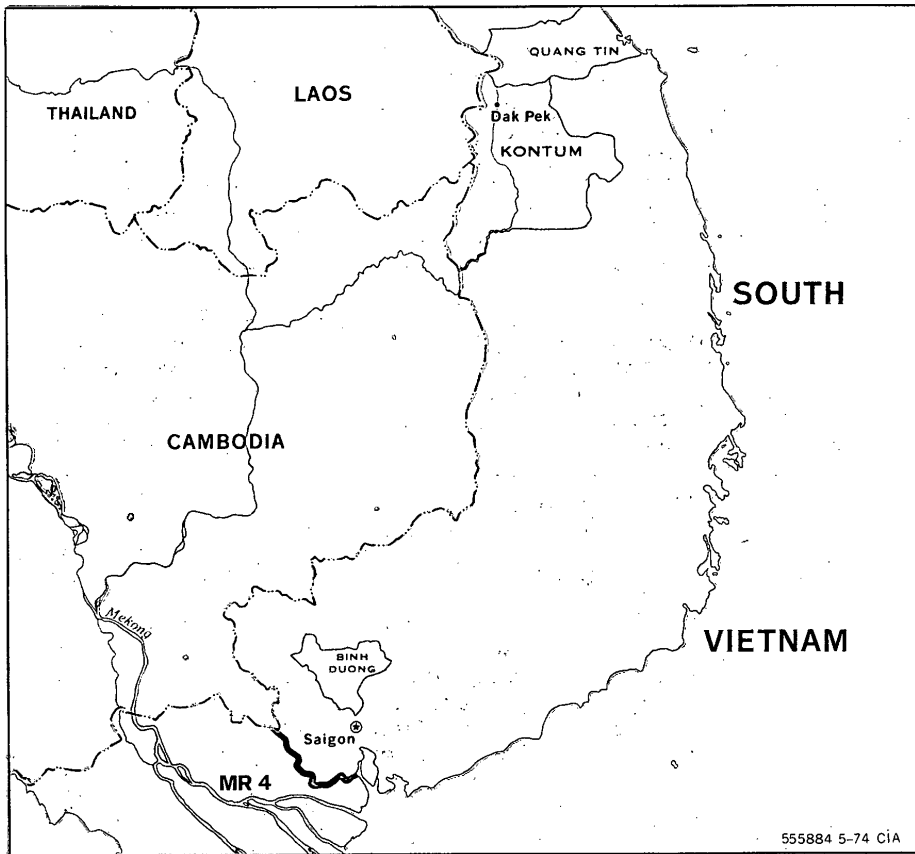
FOR THE PRESIDENT ONLY

UK

In office less than three months, the Labor government is already faced with mounting wage demands and threatened strikes that are a direct challenge to Prime Minister Wilson's claim to have restored labor peace. The nation's miners, whose work slowdown earlier this year brought down the Conservative government, are on record as wanting to reopen wage negotiations. In addition, the country's nurses are threatening a nationwide walkout.

The real crunch between the government and labor, however, is not expected to come until early November, when Stage Three wage controls expire. Wilson will be forced to seek a new mandate from the electorate before that time, or face the same fate as the Tories.

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SOUTH VIETNAM

The South Vietnamese are meeting strong Communist resistance as fighting continues on several battlefronts. The sharpest action is north of Saigon, in Binh Duong Province, where the South Vietnamese are counterattacking against units of the North Vietnamese 7th and 9th divisions that moved toward major government military bases late last week.

Farther north, heavy losses on both sides are reported from continuing battles over several villages in Quang Tin Province. There also are signs that the Communists are planning a sharp rise in offensive activity in the delta provinces of Military Region 4.

There are varied motives behind the Communists' attacks. In the Quang Tin fighting, they are trying to re-establish control over territory they claimed at last year's cease-fire, but later abandoned to the government. In overrunning the government base at Dak Pek in Kontum Province last week, the Communists eliminated a long-standing Saigon outpost deep within their territory. The Binh Duong fighting has been directed at small outposts and villages controlled by Saigon since the cease-fire, but held only by territorial forces.

The Communists have used a mix of regular and provincial forces in their attacks. Main force North Vietnamese combat units were involved in the drive against government bases north of Saigon, at Dak Pek, and probably in Quang Tin Province. Most other actions during the past few days--the rocketing and shelling of government military targets and the random shellings of several populated areas--were conducted by provincial infantry units.

INDOCHINA

The North Vietnamese are now concluding a highly successful dry season logistic effort. As a result of heavy supply shipments and unprecedented road and oil pipeline construction since last fall, the Communists in South Vietnam are now better able to support their forces than at any previous time.

During the past dry season, a major North Vietnamese logistic unit operating along Route 9 in northern Quang Tri Province may have handled as much as 40,000 tons of ordnance. The bulk of the cargo shipped along Route 9 was destined for Communist units in South Vietnam, although small amounts went to forces in Laos and Cambodia. The ordnance, together with supplies already in storage, is sufficient to sustain heavy combat throughout South Vietnam for more than 18 months.

Over the past year, the Communists have constructed or upgraded more than 1,000 miles of roads and added some 125 miles of pipeline to the southern Laos panhandle and western South Vietnam systems. In addition to permitting near-year-round deliveries to South Vietnam, including the COSVN area, the recent road construction also has given Hanoi the ability to resupply units in the coastal lowlands in South Vietnam's military regions 1 and 2 by truck-- something they were unable to do during the 1972 offensive. Deliveries from Vinh to southern South Vietnam can now be made in two to three weeks.

During the next few months, the Communists probably will improve their logistic position further. Construction and upgrading along the western supply corridor in South Vietnam is continuing. The improved road network in southern Laos also will enable Hanoi to move some supplies through this area during the rainy summer months. However, during the next few months the Communists probably will use the western supply route in northern South Vietnam for the bulk of their cargo shipments because more favorable weather conditions will prevail.

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USSR: The Soviets have replaced their naval force in the Indian Ocean. The new group--the same type Moscow has kept there over the past year--consists of a Kotlin-class destroyer, two escort ships, two minesweepers, and an F-class diesel attack submarine from the Pacific Fleet. A Kresta II-class guided-missile cruiser, now west of the Canary Islands en route to the Pacific Fleet, will probably join the Indian Ocean group for a few months, as a Kresta II cruiser did last year. The incoming ships are expected to go directly to the Soviet anchorages in the Gulf of Aden, although two or three of the smaller ships may follow earlier practice and make port calls in Iraq.

Israel-Lebanon-Syria: Fighting was at a low level yesterday on the Golan front, as Israeli and Syrian forces exchanged intermittent tank and artillery fire. Israeli planes made reconnaissance flights over the Golan Heights and southern Syria, but overall Israeli air activity was low. There were no Israeli air or sea attacks against fedayeen forces inside Lebanon similar to those of the past few days. Lebanese military officers reported that a minor engagement occurred between their forces and the Israelis when an Israeli patrol tried to "occupy" a hill near Mount Hermon. Beirut also claimed that Israeli forces shelled a Lebanese border post in the same area.

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